

# NORTHWESTERN PENNSYLVANIA'S NEXT OPPORTUNITY: SAYING YES TO THE FILM INDUSTRY

20  
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PREPARED

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PREPARED BY

Parker Philips  
assess. analyze. assert.

PREPARED FOR



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“We have a few chances in our life to give back in certain ways. My involvement in this film was probably a ‘yes’ before I had met the director or read the script, which is career suicide for a lot of people. You usually don’t go there, but it was because it was here.”

**Marc Blucas, Actor**  
Girard, PA Native



**\$16.4 million**  
in economic  
impact generated

**\$1.7 million**  
in state & local  
taxes generated

**86 film industry-related**  
jobs supported  
and sustained in  
Northwestern PA

**47 direct employees**  
in the industry  
segment

**3 local**  
universities  
offering film-related  
degrees

**\$70 million**  
in film tax credits  
available annually  
from Pennsylvania

**1 Greater Erie  
Film Office**  
focused on economic  
development & growth

**1 United Vision**  
for Marketing the  
Greater Erie Film Office





# MADE IN ERIE

## Undercover Billionaire and Undercover Billionaire: Comeback City

In November 2017 producers of the Discovery Channel, reality show *Undercover Billionaire* reached out to the Greater Erie Film Office (GEFO) about production feasibility and locations. Over 21 months, the Greater Erie Film Office connected *Undercover Billionaire* with critical resources for pre-production and production work, including casting, locations, local crew hires, and introductions to government officials and businesses. True to its mission, the Greater Erie Film Office provided these critical liaison services free of charge – the Greater Erie Film Office succeeds when its partners succeed.

Discovery Channel reported spending close to \$5 million total on the production in Erie and Los Angeles. Assuming that 35% of this budget was spent in the Erie economy during production, this reality show generated \$3.2 million in economic impact, supported and sustained 15 jobs, and contributed \$323,865 in local and state taxes.

In the summer of 2020, the *Undercover Billionaire* production returned, and again the Greater Erie Film Office was called upon to provide leads to local small businesses to include in its “*Comeback City*” season – six episodes focused exclusively on Erie. The production hired local crew members, and once again the out-of-town production staff and crew boosted the Erie area economy, spending money at local hotels and restaurants for three months.

The resulting business of Underdog BBQ, the spirit of local entrepreneurship inspired and highlighted by the show’s star Glenn Stearns, and the visibility of Erie and its potential for film-induced tourism will continue to propel the revitalization of Erie – the Comeback City!

**"The Greater Erie Film Office was a fantastic resource for us in the pre-production and production of *Undercover Billionaire: Comeback City*. From location coordination and releasing to assisting in local crewing recommendations and equipment sourcing, the GEFO was quick to respond with helpful answers and connections. We are grateful for all the help!"**

**Carl Beuhl**

Co-Executive Producer *Undercover Billionaire: Comeback City*



**“As we move forward with a new chapter of the Mercyhurst North East campus, our partnership with the Greater Erie Film Office will play a vital role in the success of the region by marketing Erie and North East as a destination for film, television, and commercial production. Film production creates jobs in the creative sector while supporting local businesses and encouraging tourism across the region. Film production remains a reliable economic driver that impacts communities who embrace it and contributes to industry job growth and workforce development.”**

**Jim Detjen**

Head of Business Development  
Axxella, North East Project

# INTRODUCTION

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The Film Society of Northwestern Pennsylvania and the Greater Erie Film Office are at a crossroads. For more than 10 years, the organization has operated and shown its strength and determination as a largely all-volunteer organization. The commitment of unpaid staff in getting the region on the map is an example of the true Erie spirit. The area is primed to take the Greater Erie Film Office to the next level, and become an organization that can leverage current and up-and-coming industry talent, the region's geographic proximity to major film markets, and a film tax credit that puts Pennsylvania on the radar of filmmakers across the country and worldwide.

The Northwestern Pennsylvania region offers a location for filmmakers across the Tri-state area in the Great Lakes region. Northwestern PA is close to major markets in Ohio, New York, and Pennsylvania that are active in the film industry. Erie stands to be a spoke in the wheel of many major markets but could truly benefit from stronger alliances in Pennsylvania due to the existence of the film tax credit. Support and growth of this industry also builds upon the talent pipeline from area universities, providing local job opportunities and a chance to stay in the region while pursuing their careers.

In July 2021, the Film Society of Northwestern Pennsylvania engaged Parker Philips Inc. to measure the economic contribution of the impact of the film industry on the region and Commonwealth, and to profile other markets with a film industry. This report aims to show the current and potential impact of the film industry in Northwestern Pennsylvania, and make recommendations that strengthen Erie's future in this dynamic industry. The study examines the success of other small cities that have benefited from proximity to major-market film productions.



**“If there is no film tax credit in Pennsylvania, then major films and productions would not come to Pennsylvania. There is competition across the Commonwealth for these tax credits and to showcase the competitive cost advantages of this side of the state.”**

**Dawn M. Keezer**  
Director, Pittsburgh Film Office

## PENNSYLVANIA FILM INDUSTRY OVERVIEW

Pennsylvania’s film-production tax credit took effect in 2007, and since then, nearly \$800 million in tax credits have been issued, according to the Pennsylvania Department of Commerce and Economic Development (DCED). The PA film industry incentive has generated \$5.2 billion in economic impact since 2007 and supported more than 30,000 jobs.

Productions of all sizes have benefited, though 85% of credits went to projects with total budgets of \$10 million or more. In 2019–20, the biggest haul of credits was by the Netflix-produced feature *“Sweet Girl,”* starring Jason Momoa, which was shot in the Pittsburgh area and awarded \$11.7 million in credits.



Photo credit: iStockphoto by Getty Images



Despite large productions using tax credits throughout the state, Erie has mainly used these tax incentives for independent films. These small productions see the potential and value of the Erie market, and have fought for their movies to get film tax credit funding to support their filmmaking. These funds are highly competitive and require an effective and established film office to advocate for these dollars. Competition is fierce across the Commonwealth. Independent filmmakers in Erie compete with lobbyists and fully funded film offices. There is an opportunity for Erie to work collaboratively with the Pittsburgh Film Office to ensure that filmmakers (cast and crew) in Erie can work year-round in the state to hone and practice their craft.

Movie and television productions have ripples throughout the economy, supporting multiple industry segments during filming. When the film industry comes to town, there is a significant impact on the local economy along the supply chain, including visitors staying an extra day or two to visit sites featured in a film or television show during or after filming. For example, in 2018 and 2020 the production staff and crew of the Discovery Channel's *Undercover Billionaire* stayed a combined 6 months at Home2 Suites in Erie, ate at local restaurants, and enjoyed summer activities in our region.



**VENDORS  
& SUBCONTRACTORS**

- |                 |                   |
|-----------------|-------------------|
| Hotels          | Lighting/Electric |
| Restaurants     | Transportation    |
| Casting         | Hair/Makeup       |
| Car Rental      | Art               |
| Auto Body Shops | Props             |
| Catering        | Actors            |
| Hospitality     | Extras            |
| Construction    | Craft Services    |
| Lumber          |                   |



**EMPLOYEES  
& SUPPLIERS**

- |             |                |
|-------------|----------------|
| Consumables | Transportation |
|-------------|----------------|



**PENNSYLVANIA  
FAMILIES**

- |             |                |
|-------------|----------------|
| Housing     | Transportation |
| Consumables |                |



**TAXES  
SALES/STATE/LOCAL**

# RIPPLE EFFECT OF THE FILM INDUSTRY

**Pennsylvania offers a 25% tax credit to films that spend at least 60% of their total production budget in the Commonwealth.** This equates to money spent on anything from equipment to office supplies and everything in between (including hiring and filming locally). In addition, there is an incentive to freely use State-owned property and a tax incentive at Pennsylvania hotels for cast and crew staying 30 (or more) consecutive days.<sup>1</sup>

Projects eligible for Film Tax Credits under the program are the production of a feature film, a television film, a television talk show or game show series, a television commercial, a television pilot, or each episode of a television series intended as programming for a national audience.

However, the story of the incentive program isn't as simple as productions being credited a portion of the taxes they pay. The tax credit program includes only certain taxes, such as corporate net income, personal income, and insurance premiums, but excludes sales taxes. However, most productions don't generate enough tax liability to use the state's credit. Therefore, the production companies sell the credits to other businesses that reduce their tax liabilities. The credits are sold at a slight discount of about 93 cents on the dollar. Some of the total value also goes as fees to brokers, which means that some benefits accrue out of state. Analysis of the tax credit allocation shows that major markets (Pittsburgh and Philadelphia) are benefiting from large-scale productions and absorbing a great deal of the tax credit. The competition for these tax credits is largely between the Eastern part of the state (Philadelphia) and Western side (Pittsburgh).

**Data on Pennsylvania from the U.S. Bureau of Labor and Statistics shows that wages in the film industry account for \$248.9 million in wages, 4,974 jobs, and 615 businesses.** The Pittsburgh and Philadelphia regions comprise the largest number of jobs, wages, and businesses in the sector. **Erie County has eight businesses, 47 jobs, and \$1.5 million in annual income, with an average annual wage of \$32,900.**

<sup>1</sup>Source: Pennsylvania Department of Community and Economic Development. <https://dced.pa.gov/programs/film-tax-credit-program>

**“The economic value of the arts and cultural production in the United States contributes more than twice the amount generated by mining (including oil and gas extraction). The motion picture industry adds more to the U.S. economy than the total value added by automobile manufacturing.”**

U.S. Bureau of Economic Analysis

# PENNSYLVANIA FILMMAKING INDUSTRY BY COUNTY (2020)

Geography	Annual Businesses	Annual Average Employment	Annual Average Employment Location Quotient	Total Annual Wages	Annual Wages Per Employee	Total Annual Wages Location Quotient
Adams County	4	21	0.3	\$569,083	\$26,992	0.12
Allegheny County	69	766	0.56	\$46,649,114	\$60,933	0.34
Berks County	11	101	0.29	\$3,327,229	\$32,943	0.12
Bucks County	35	139	0.27	\$5,071,381	\$36,397	0.12
Butler County	11	85	0.49	\$2,866,286	\$33,557	0.2
Centre County	9	27	0.2	\$702,945	\$25,875	0.06
Cumberland County	8	105	0.38	\$3,220,427	\$30,744	0.14
Dauphin County	17	65	0.18	\$1,539,646	\$23,596	0.05
Delaware County	27	200	0.45	\$8,750,812	\$43,736	0.21
Erie County	8	47	0.2	\$1,544,039	\$32,910	0.09
Fayette County	3	13	0.17	\$117,233	\$9,317	0.02
Franklin County	3	9	0.07	\$159,165	\$16,902	0.02
Indiana County	3	13	0.23	\$102,480	\$7,734	0.02
Lackawanna County	8	63	0.33	\$1,203,155	\$19,072	0.09
Lancaster County	18	99	0.2	\$2,321,683	\$23,550	0.06
Lebanon County	3	32	0.31	\$367,211	\$11,596	0.05
Lehigh County	14	151	0.39	\$6,445,280	\$42,590	0.19
Luzerne County	8	39	0.14	\$557,331	\$14,230	0.03
Lycoming County	4	24	0.24	\$254,358	\$10,710	0.04
Monroe County	7	25	0.23	\$308,122	\$12,163	0.04
Montgomery County	53	394	0.39	\$20,868,165	\$52,942	0.18
Philadelphia County	66	411	0.3	\$21,543,030	\$52,395	0.15
Westmoreland County	10	37	0.14	\$556,239	\$15,136	0.03
York County	7	57	0.16	\$677,005	\$11,982	0.02
Unknown/Undefined	126	1372	3.62	\$94,403,954	\$68,820	1.68
Pennsylvania Total	615	4974	0.43	\$248,883,314	\$50,038	0.24
U.S. Total	34,446	295,568	1	\$27,689,497,815	\$93,682	1

Source: Quarterly Census of Employment and Wages, Bureau of Labor and Statistics.

# CURRENT IMPACT OF FILM INDUSTRY IN NORTHWESTERN PENNSYLVANIA

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“We know the arts are a significant contributor to Erie’s local economy. When you think about the film and movie industry, you think about the red carpet, the glamour, the gowns, and the tuxedos, but what we often don’t think about in the community is the economic impact on the community where that film was actually made. That’s what we are looking at in Erie County. We would like to see more films made here.”

**Kathy Dahlkemper**

Former County Executive, County of Erie



Photo credit: iStockphoto by Getty Images



## ABOUT ECONOMIC IMPACT

The primary tool used in the performance of this study is the Input-Output model and data set developed by IMPLAN Group LLC. Financial data used in this study was obtained from the Bureau of Labor Statistics for 2020. The impact presented in this analysis is broken down into three categories: direct impact, indirect impact, and induced impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.” The next graphic provides an overview of the types of impact detailed in this report.



### DIRECT

Investment in capital and operating expenditures.

### INDIRECT

Purchases from local suppliers

### INDUCED

Household spending from earnings of direct & indirect expenditures

## NWPA FILM INDUSTRY STUDY PROFILE

**Data Source:** Bureau of Labor Statistics, 2020

**Study Type:** Economic Contribution Analysis

**Geography:** Pennsylvania

**Study Year:** 2020

**Methodology:** IMPLAN

# THE FILM INDUSTRY OF NWPA CONTRIBUTES TO THE STATE & REGIONAL ECONOMY

The film industry contributes to the local and statewide economies through its expenditures and causes a ripple effect throughout the statewide economy. This impact is calculated based on current companies operating in North America. The total economic impact of the Northwestern Pennsylvania film industry in 2020 totaled **\$16.4 million**. This contribution to the local and statewide economies is a point-in-time snapshot depicting how the expenditures of the industry have made an impact. The film industry generates \$4.2 million in labor income with \$1.7 million being directly contributed by the film industry.

## Baseline Economic Impact of NWPA Film Industry

Direct	\$8,951,470
Indirect	\$4,560,492
Induced	\$2,849,341
<b>TOTAL</b>	<b>\$16,361,303</b>

Source: Data from Bureau of Labor & Statistics with analysis by Parker Philips using IMPLAN

# CREATING & SUSTAINING JOBS

The film industry supports a total of **86 full- and part-time jobs** throughout Northwestern Pennsylvania. Beyond the direct jobs, indirect and induced jobs encompass jobs in the service industry, including restaurants, hotels, and retail – to name a few.

## Baseline Economic Impact of NWPA Film Industry (in jobs)

Direct	47 Jobs
Indirect	21 Jobs
Induced	18 Jobs
<b>TOTAL</b>	<b>86 Jobs</b>

Source: Data from Bureau of Labor & Statistics with analysis by Parker Philips using IMPLAN



# MENAJERIE STUDIO'S BRAND & PROMISE CONTINUES TO GROW

For more than eight years, this Erie-based firm has been producing award-winning video and documentary-style films that are making an impact locally, statewide, and nationally. This four-person team led by Jessica and Nick Taylor has continued to grow and advance the practice of filmmaking for commercial and documentary work from pre- to post-production. They are growing their footprint in Erie's Little Italy and have produced films such as Rust Belt New Americans: A Film About the Refugee Experience, which has won several awards at film festivals nationwide.

They are committed to their craft and to growing their business in Erie. With graduates from Edinboro University and Penn State Behrend, the firm continues to showcase their creativity and talent to draw more business to the Erie market as they continue to grow in their new space.



Photo credit: MenajErie Studio

**“Erie, PA has shown us nothing but love as we’ve grown this company. I’m proud to call Erie home and show the rest of the world what it has to offer.”**

**Jessica Taylor**

Managing Partner | Producer | Director  
MenajErie Studio



# GENERATING LOCAL & STATE TAX REVENUES

Employees in the film industry, suppliers, and their related constituencies contribute to the local and statewide tax bases. In 2020, the film industry contributed nearly **\$1.7 million** (\$1.1 million direct and \$600,000 indirect and induced) through local spending as well as direct and indirect support of jobs. At the state and local levels, the film industry contributes to the tax base through its purchasing. Specific taxes include employee and employer contributions to state and local social-insurance funds, sales and use taxes, personal property taxes, taxes paid on motor-vehicle licenses, and payments of fines and fees.

## Local and State Tax Impacts

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	\$118,477	\$343,049	\$75,795	\$579,668	\$1,116,989
Indirect	\$42,428	\$109,558	\$23,756	\$204,899	\$380,641
Induced	\$18,626	\$42,789	\$9,091	\$89,381	\$159,887
Total	\$179,531	\$495,396	\$108,642	\$873,948	\$1,657,517

Source: Data from Bureau of Labor & Statistics with analysis by Parker Philips using IMPLAN

# ODDITY PRODUCTIONS

Oddity Productions is a young video production company specializing in film and commercial production based in Erie-PA. Bringing formal training from top university programs, Oddity's mission is to grow Erie's film industry by producing local projects collaborating with fresh local talent.



Photo credit: Oddity Productions

Oddity Productions founders Simon Yahn, Danny Pakulski, and Liam O'Brien

**“My business partners and I started Oddity while still full-time students at Penn State Behrend and RIT, with part-time jobs. We are committed to our craft and to doing this work in Erie.”**

**Liam O'Brien**  
Oddity Productions

# UNEARTH: THE TAX CREDIT AT WORK

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**Production Company:** Uneath Film LLC

**Directors:** John C. Lyons, Dorota Swies

**Writers:** John C. Lyons, Kelsey Goldberg

**Actors:** Adrienne Barbeau, Marc Blucas, Allison McAtee, Brooke Sorenson, Rachel McKeon, P.J. Marshall

**Total Film Budget:** \$366,944 with \$238,275 spent on production in state

**PA Film Tax Credit Received:** \$59,569

**Total Economic impact of Film Production in Pennsylvania:** \$435,514

**Synopsis:** Uneath – a fracking horror story follows two neighboring farm families whose relationships are strained when one of them chooses to lease their land to an oil and gas company. In the midst of growing tension, the land is drilled, and something long dormant and terrifying, deep beneath the earth’s surface is released.



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Making a film is a labor of love. What the moviegoer sees at the theater is the culmination of years of writing, fundraising, casting, directing, producing, filming, editing, and marketing. It takes a vision and commitment to make a dream a reality – and money. Uneath was the culmination of years of work and a commitment to saying Yes to Erie’s film industry from a local writer and filmmaker and an actor with roots in the Girard area.

The 18-day filming occurred in the heart of Northwest Pennsylvania and this film benefited from the Pennsylvania film tax credit. The funding and credit were essential to the financing mix of the film. However, accessing the funding was challenging given that the region does not have dedicated, paid staff to push the agenda of the region’s filmmakers. This production brought star power to Erie and utilized local talent to produce a feature film with Hollywood actors and local production crews – it demonstrated that Erie once again was up for the job.





"Lyons Den Production was the first company to get a Pennsylvania film tax credit in Northwestern Pennsylvania; Unearth was the second project. We received \$59,000 of the tax credit, which was essential to the completion of the film."

**John C. Lyons**

Writer, Filmmaker, Director



# Regional Resources & Opportunity for Filmmakers

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Northwestern Pennsylvania delivers an accessible and production-friendly environment that will help filmmakers succeed no matter the size of the project. All the pieces are here in the area – from four distinct seasons and a variety of natural and manmade settings for that perfect shot, to easy access to the tools and equipment that film productions require.

R Frank Media is a vital partner within the region's user-friendly film landscape. As a local company specializing in state-of-the-art equipment and transportation, they are on the scene offering rentals for all the gear a production needs to have convenient access to onsite – cameras, lenses, tripods, lighting, rigging, cables, clamps, stands, and transportation – as well as full post-production facilities. R Frank Media has deep roots in the area and with its expertise supports events held by the Film Society of Northwestern PA, Erie Dance Festival, and other area partners.

Another key regional resource is The Behrend Open Lap for Digital Creations (BOLD-C) at Penn State University's Behrend campus. The BOLD-C program combines education and opportunity offering filmmaking gear rental with high-quality student on-set experience. It is a dynamic, collaborative program bringing together local independent filmmakers, non-profits, and commercial interests.



Photo Credit: R Frank Media

Visiting film productions rely on the availability of high-quality equipment to rent, saving the cost of transporting expensive, cutting-edge technology from larger cities. Grip truck exterior (left): Grip truck interior (right)

**“Northwestern Pennsylvania equals opportunity! There is a persistent belief that you need to go to Pittsburgh, Cleveland, or Buffalo to make a movie, but that is not the case. There is equipment here, knowledge here, and skilled laborers here. Northwestern Pennsylvania has those people, and you don’t have to come from a big market. You don’t have to leave Erie to get the same quality. We have farms, beaches, woods, historic downtowns, and history – there is something for everyone.”**

**Rob Frank**  
Founder, R Frank Media



# EERIE HORROR FEST

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The Eerie Horror Fest, an annual four-day culture and industry event celebrating horror cinema in Erie, Pennsylvania, is back from the dead to scare visitors and bring new dollars into the regional and statewide economy. Erie's star power and scare factor took place October 27 – October 30, 2021, and featured a curated program of new, upcoming, and classic short and feature-length films. Erie played host to nine celebrity guests participating in live, in-person Q&As and autograph/photo sessions. This film festival is one way to draw tourists and new visitors to the Erie region to showcase the culture of creativity and fright while generating economic impact at the same time.

The estimated combined operational and visitor impacts of the fully funded, four-day Eerie Horror Fest is estimated to be **\$121,399 to the Erie County economy**. During the festival, a total of **1.4 jobs** will be supported in the local economy and **\$121,399 generated in state and local tax revenue**.



Photo credit: Film Society of Northwestern Pennsylvania

**The Eerie Horror Fest 2022 will take place October 5–8 at the historic Warner Theatre and grow to add a vendor hall, visiting filmmakers, more celebrity guests, and increased attendance.**

# MARKET COMPARISONS & OPPORTUNITY

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The goal of a funded Greater Erie Film Office in the short term is to get Erie on the map of filmmakers in Western Pennsylvania and the Great Lakes Region in order to keep area college graduates working in the region. People that work in the film industry love to travel and are ready at a moment's notice for the next opportunity to work. They will have ample opportunity to stay employed while jumping to Ohio, New York, Pittsburgh, or Philadelphia to gain experience but bring it back to Northwestern Pennsylvania.

The duties of a fully functioning film office include acting as an economic development arm to attract productions and streamline the process when a film comes to town. The office serves as a liaison with governmental offices, departments, and officials to obtain necessary permits, perform location scouting, and connect filmmakers and TV producers with local crew members, vendors, and more. A film office plays an integral role in ensuring film productions are attracted to a region and can operate on the ground effectively and efficiently. The common characteristics of successful film offices across the Commonwealth and in the tri-state region include:

- ① consistent source of baseline funding;
- ② paid staff; and
- ③ strong partnerships in the economic development community.

The region plays host to many recognized university programs in the industry. Edinboro University – Bachelor of Fine Arts in Film and Video, Penn State Behrend – Bachelor of Arts in Digital Media, Arts, and Technology (DIGIT), Gannon University – Minor in Digital Media Communications, and Mercyhurst University – Bachelor of Arts in Integrated Media and Communications. There are numerous paths to a career as a filmmaker, screenwriter, or set designer. These three programs are good examples of local talent in the pipeline that would not have to move to Hollywood, CA to get their start. Each year, graduates from film industry-related programs graduate ready to work – a stronger film office would allow them the possibility of saying yes to stay and work in the region and stay in Pennsylvania.



# FILM INDUSTRY DRIVES TOURISM IN SMALLER CITIES & TOWNS IN GEORGIA

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The film industry in Georgia – named No. 1 for Film Production in 2020 – is booming, but it isn't just Atlanta experiencing the growth.<sup>1</sup> In 2020, Georgia had \$4.0 billion of direct spend in the film industry.<sup>2</sup> Smaller communities outside the Atlanta Metro area are being brought into the fold for filming and new locations such as Moultrie, Tifton, Augusta, Sandersville, Toccoa, and other towns have played host to filming productions around the state. These towns benefit from the tourism impacts and impact in the local economy. For example, In March, “Gasoline Alley,” starring Bruce Willis and Owen Wilson, filmed in downtown Tifton. The group rented hotels for three to four weeks during filming, which created more than \$120,000 in hotel revenue alone. These are nights in hotels that would not have been filled, restaurants that were packed to the gills, and cities that benefited from the influx of tourism.

**“Film is a tourism driver, but more than that, film has an economic impact on our community in many different ways. Our hotels are completely booked up, but we also see a boost in our local restaurants, retail stores, home supply stores, gas stations, drug stores.... Everyone sees a benefit when these film crews come to town, and coming out of COVID, this is a wonderful shot in the arm to our economy.”**

**Bonnie Hayes**

City of Thomasville's Tourism and Film Manager

<sup>1</sup>Source: <https://www.georgia.org/blog/georgias-sizzle-reel-puts-spotlight-community-economic-benefits-industry>

<sup>2</sup>Source: <https://www.georgia.org/press-release/georgia-film-records-blockbuster-year>

# PENNSYLVANIA FILM MARKET

Film offices around the Commonwealth strive to attract the creative class and filmmakers to live and work in their region. Outside of Pittsburgh and Philadelphia, the Northern PA Film Office, Wilkes-Barre Metro Film Office, the Northeastern PA Regional Film Office, and The Greater Erie Film Office are competing for the same film tax credit dollars. Within larger cities or regions committed to the film industry, a percentage of the hotel room tax credit is allocated to the film office as base funding.

To build their profiles and portfolios, smaller cities must form partnerships with larger cities to ensure that they are in the mix to bring parts of a larger production to town, while still nurturing their independent films and filmmakers.



**Annual Revenue** \$629,027  
**Annual Expenditures** \$434,659  
**Sources of Funding**  
Fundraising events - \$511,422  
Government grants - \$150,000  
All other contributions - \$59,791  
Non-Cash Contributions - \$29,002  
**Tax Year 2019**



**Annual Revenue** \$1,011,853  
**Annual Expenditures** \$1,052,505  
**Sources of Funding**  
Government grants - \$130,944  
All other contributions - \$828,926  
Programs - \$35,305  
**Tax Year 2019**



**Annual Revenue** \$21,393  
**Annual Expenditures** \$41,729  
**Sources of Funding**  
Fundraising - \$10,635  
Government grants - \$3,666  
Other income - \$3,426  
**Tax Year 2020**

Source: 990, ProPublica and \*Cause IQ

Note: Not all film offices reported their taxable income through the 990-tax form. Those shown are the only organizations with publicly available data.

# OHIO FILM MARKET

Created in 2009, Ohio's film tax credit seeks to build a strong film industry in the state. The film tax credit offers a 30% transferable tax credit on production cast and crew wages, plus other in-state spending for films that come into the state. This tax credit has helped to lure productions big and small into the state to take advantage of these tax breaks. In 2019, the impact of **Ohio's Film industry supported more than 35,000 jobs and \$1.2 billion in total wages.**<sup>3</sup>

While major cities such as Cincinnati (Film Cincinnati), Columbus (Greater Columbus Film Commission), and Cleveland (Greater Cleveland Film Commission) benefit significantly from the tax credit and attract larger productions – small- to mid-sized cities such as Akron (Akron Film Collective) and Dayton (Film Dayton) have seen increases in film activity. Funding for film offices in Ohio is a mix between public funding for economic development (local and state) and private donations (corporate and individual). In addition, many of the larger film offices offer educational programming to generate revenue for their film offices.



**Annual Revenue** \$427,266  
**Annual Expenditures** \$379,698  
**Sources of Funding**  
Government/Grants - \$46,250  
Fundraising - \$41,500  
Educational Programming - \$46,916  
Other - \$277,464  
**Tax Year 2019**



**Annual Revenue** \$762,379  
**Total Expenses** \$766,763  
**Government/Grants** - \$460,000  
**Sources of Funding**  
Fundraising - \$3,286  
Other - \$283,417  
**Tax Year 2019**



**Annual Revenue** \$104,649  
**Annual Expenditures** \$97,343  
**Sources of Funding**  
Contributions/Grants - \$104,649  
**Tax Year 2013**



**Annual Revenue** \$26,248  
**Annual Expenditures** \$59,135  
**Sources of Funding**  
Gifts, grants, and contributions - \$26,230  
**Tax Year 2016**

<sup>3</sup>Source: MPAA Ohio Movie & TV Production By the Numbers – Greater Cleveland Film Commission.  
Source: 990 Tax Documents from ProPublica and \*Cause IQ.

Note: Not all film offices reported their taxable income through the 990-tax form. Those shown are the only organizations with publicly available data.

# NEW YORK FILM MARKET

Established in 2004, New York State Film Tax Credit Program is administered by Empire State Development to increase the presence of the film and television production and production industry in the state. The impact of this industry is \$20.5 billion generated, and 57,000 jobs supported and sustained. New York is home to a statewide network of professionally staffed local and regional film offices that work with their local governments and communities to responsibly grow film and television production across regions.

The New York Film Tax Credit offers \$420 million for companies to produce projects in New York and create and maintain film industry jobs. It is largely considered one of the best film tax credit programs in the nation. Production companies are eligible to receive a fully refundable credit of 25% of qualified production and post-production costs incurred in New York. From 2015-2026, projects with budgets over \$500,000 are eligible to receive an additional 10% credit on qualified labor expenses in certain counties that are outside of New York City. The additional credit seeks to promote other parts of the state in rural areas for film production and post-production. New York City's film office under the direction of the Mayor's Office of Media and Entertainment is a powerhouse of activity in the state. However, other film offices in New York make an impact in the industry and include the OCNY film office in Orange County, the Hudson Valley Film Commission, Syracuse Film Office, Mohawk Valley Film Commission, Film Albany, Suffolk County Film Commission, and Nassau County Film Commission.



**Annual Revenue \$161,145**  
**Annual Expenditures \$161,134**  
**Sources of Funding**  
**Contributions/Grants - \$161,145**  
**Tax Year 2020**



**Annual Revenue \$247,023**  
**Annual Expenditures**  
**Sources of Funding**  
**Grants - \$247,023**  
**Tax Year 2020**



**Annual Revenue \$85,756**  
**Annual Expenditures \$82,845**  
**Sources of Funding**  
**Contributions/Grants - \$52,139**  
**Program services - \$19,107**  
**Other - \$10,500**  
**Tax Year 2019**

Source: 990 Tax Documents from ProPublica and \*Cause IQ.

Note: Not all film offices reported their taxable income through the 990-tax form. Those shown are the only organizations with publicly available data.



# CONCLUSIONS

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The Film Society of Northwestern Pennsylvania has moved the industry forward with limited resources, grit, and determination. The commitment of Erie's filmmakers to the region and their craft has forged this industry segment in the marketplace. An investment in the Greater Erie Film Office will result in an additional economic development arm in the market. Partnerships between universities, government, private industry, foundations, and economic development agencies are essential to the success of the region's film industry and to the future of the Greater Erie Film Office. Through the creation of the tax credit, Pennsylvania has worked to establish the commonwealth as a film-friendly state.

Major cities in Pennsylvania such as Philadelphia and Pittsburgh have benefited significantly from the state dollars allocated to the film tax credit but also have a distinct advantage over Erie that goes beyond geography and size – they have financially supported film offices to advocate for and market their region to the industry.

Erie is on the film industry roadmap because the people are committed to their craft and to the region. The community now has a decision to make regarding financial support of the Greater Erie Film Office in order to elevate its status as an economic development partner in the region to attract films and pave the way for new opportunities in the region.

**“If we don’t invest in the creative industries as a whole, we continue to overlook one of the most impactful and fast-growing economic segments out there. Simultaneously, we also neglect to think about education and opportunities to retain talent and attract talent. With respect to the film industry, we have to capitalize on it, and define our special and unique role.”**

**Patrick Fisher**  
Executive Director, Erie Arts & Culture

# APPENDIX A: FILM INDUSTRY NAICS PROFILE

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## **512110 - Motion Picture and Video Production**

This industry comprises establishments primarily engaged in producing, or producing and distributing motion pictures, videos, television programs, or television commercials.

## **512120 - Motion Picture and Video Distribution**

This industry comprises establishments primarily engaged in acquiring distribution rights and distributing film and video productions to motion picture theaters, television networks and stations, and exhibitors.

## **512191 - Teleproduction and Other Postproduction Services**

This U.S. industry comprises establishments primarily engaged in providing specialized motion picture or video postproduction services, such as editing, film/tape transfers, subtitling, credits, closed captioning, and animation and special effects.

## **512199 - Other Motion Picture and Video Industries**

This U.S. industry comprises establishments primarily engaged in providing motion picture and video services (except motion picture and video production, distribution, exhibition, and teleproduction and other postproduction services).

# APPENDIX B: FILM INDUSTRY JOBS

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PRE-PRODUCTION		
PRODUCER & DIRECTOR		
<b>WRITING</b> Screenwriter Showrunner (TV) Story Editor	<b>LOCATION</b> Location Manager Location Scout	<b>CASTING</b> Casting Director Casting Assistant

## PRODUCTION

### PRODUCER & DIRECTOR

## PRODUCTION

Line Producer  
Production Manager  
Production Coordinator

1st Assistant Director  
2nd Assistant Director  
3rd Assistant Director

### SOUND

Production Sound Mixer  
Boom Operator  
Field Recording Mixer

### CAMERA

Director of Photography  
Camera Operator  
1st Assistant Camera  
2nd Assistant Camera

### ELECTRIC

Gaffer  
Electrician

### CONTINUITY

Script Supervisor

### GRIP

Key Grip  
Best Person Grip  
Dolly Grip

### SETS/ART DEPARTMENT

Production Designer  
Art Director  
Art Department  
Coordinator  
Set Carpenters  
Props Master

### CAST

Actors

### OTHER ON CAMERA

Stunt Coordinator  
Stunt Performers  
Fight Choreographer  
Animal Wrangler  
Background Performers

### COSTUME

Costume Designer  
Wardrobe Supervisor  
Set Costumers

### HAIR & MAKEUP

Key Makeup Artist  
Special Effects Makeup  
Hair Stylist

## SUPPORT

Transportation Coordinator  
Drivers

Production Assistants  
Craft

Catering  
Production Accountant



## POST-PRODUCTION

### PRODUCER & DIRECTOR

Post Production Supervisor

#### EDITING

Editor  
1st Assistant Editor

2nd Assistant Editor  
Colorist

#### SOUND EDITING

Sound Editor  
Foley Artist  
Sound Designer  
ADR Recordist/Mixer

#### VISUAL EFFECTS

VFX Supervisor  
VFX Producer  
VFX Creative Director  
VFX Editor  
Animator

VFX Artist  
Compositor  
Rotoscope Artists  
Matte Painter

#### MUSIC

Music Supervisor  
Composer

#### ACCESSIBILITY

Subtitler

Descriptive Video Transcriber

Dubbing Mixer

**SOURCE:** REEL OPPORTUNITIES: JOBS IN FILM AND TV, <https://www.reelcanada.ca/jobs/>

# APPENDIX C: TERMS & DEFINITIONS

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**Study Year** – 2021

**Dollar Year** – Presented in 2021 dollars

**Total Economic Output/Economic Impact** – Includes organizational spending on operations, capital expenditures, labor income expenditures, and value added to the economy as a result of expenditures made by an organization. It is the combined impact of direct, indirect, and induced impacts.

**Direct Economic Impact** – All direct expenditures made by an organization due to its operating expenditures. These include operating expenditures, capital expenditures, and pay and benefits expenditures.

**Indirect Economic Impact** – The indirect impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added (multiplier effect).

**Induced Economic Impact** – The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing further local economic activity (multiplier effect).

**Multiplier Effect** – The multiplier effect is the additional economic impact created as a result of the organization's direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier (indirect/supply-chain impacts). Household spending generated by employees of the organization and the organization's suppliers create a third wave of multiplier impact (induced/household-spending impacts).

**Government Revenue/State and Local Tax Impact** – Government revenue or tax revenue that is collected by governmental units at the state and local levels in addition to those paid directly by an organization. This impact includes taxes paid directly by the organization itself, employees of the organization, and vendors who sell products to the organization and at the household level.

**Direct Employment** – Total number of employees, both full-time and part-time, at the organization based on total jobs, not FTEs.

**Indirect Employment** – Additional jobs created as a result of an organization's economic impact. Local companies or vendors that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.

**Induced Employment** – Additional jobs created as a result of household spending by employees of an organization and the employees of vendors. This is another wave of the employment multiplier.

# APPENDIX D: DATA & METHODS

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Data used to complete the contribution analysis was gathered from the Bureau of Economic Analysis. This data was used to complete the input-output models in IMPLAN. The study approach and economic-impact findings are a conservative estimate of impact and are based on actual financial information. The study is a snapshot of the economic impact of the current film industry by NAICS codes in the market.

## OVERVIEW AND THE IMPLAN MODEL

The most common and widely accepted methodology for measuring the economic impacts of economic sectors is input-output (I-O) analysis. At its core, an I-O analysis is a table that records the flow of resources to and from companies/organizations and individuals within a region at a given time. For a specified region such as a state of the nation, the I-O table accounts for all dollar flows among different sectors of the economy in a given period. With this information, a model can then follow how a dollar added into one sector is spent and re-spent in other sectors of the economy, generating outgoing ripples of subsequent economic activity. This chain of economic activity generated by one event is called the “economic multiplier” effect.

The primary tool used in the performance of this study is the I-O model and data set developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group Inc.). IMPLAN is a widely accepted and used software model first developed by the U.S. Forest Service in 1972. Data used in the baseline IMPLAN model and data set come largely from federal-government databases. The I-O tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand, and other market data comes from the Bureau of Labor Statistics, the U.S. Census Bureau, and other government sources.

Government agencies, companies, and researchers use IMPLAN to estimate the economic activities associated with spending in a particular industry or on a particular project. The IMPLAN model extends conventional I-O modeling to include the economic relationships among



government, industry, and household sectors, allowing IMPLAN to model transfer payments such as taxes. Producers of goods and services must secure labor, raw materials, and other services to produce their product.

The resources transferred to the owners of that labor, or those raw materials and services are then spent to secure additional goods and services or inputs to the products they sell. For example, an organization in a region may develop a company that produces tractors with a value of \$1 million. However, to produce that product, they may be required to spend \$500,000 in wages and benefits, \$200,000 to suppliers of tractor parts, \$100,000 for electricity, \$50,000 for transportation of goods and raw materials to and from the plant, and \$50,000 in various professional services associated with operating a business (e.g., attorneys and accountants). The suppliers will, in turn, spend those resources on labor and raw materials necessary to produce tractors. Workers and the owners of the company will buy goods and services from other firms in the area (e.g., restaurants and gas stations) and pay taxes. The suppliers, employees, and owners of this second tier will, in turn, spend those resources on other goods and services whether within the study region or elsewhere. The cycle continues until all the money leaves the region.

## IMPLAN METHODOLOGY

The model uses national production functions for more than 536 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Bureau data. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts at a state and congressional-district level. IMPLAN collects data from a variety of economic data sources to generate average output, employment, and productivity for each industry in a given county. IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by a specific industry's spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's direct, indirect, and induced impacts to gross receipts, or output, within each of the model's more than 536 industries. The model calculates three types of effects: direct, indirect, and induced. The economic impact of USD is the sum of these three effects.

# CONSIDERATIONS CONCERNING IMPLAN

**There are three important points about the use of IMPLAN (or any other I-O model):**

It is a fixed-price model. The model assumes that changes in consumption are not limited by capacity and do not affect prices. This assumption does not create a problem for the analysis presented here because we are taking a snapshot of the film industry in Pennsylvania in a specific year.

As in many studies using this type of model, the direct impacts are not calculated by the model; they are a reflection of actual spending levels and patterns created by the businesses in the NAICS code identified. Changing the level of direct spending allows us to calculate the magnitude of the indirect and induced effects associated with the initial level of spending.

Because the model continues to calculate additional spending until all the money leaves the region (i.e., “leakage”), the larger and more economically diverse the region, the longer it will take for spending to leave the region and the larger the impact is likely to be. For example, employees in Pennsylvania may spend some amount of their income on buying a car. If there are no car manufacturers in their state or county, this spending will leave the region and the multiplier effect will stop. At the national level, some portion of that same spending by that same individual may go to a national auto producer. That spending would lead to more spending at the national level than would be captured by a more regional model. The national impact will be larger than the sum in the individual states, and the individual state impact will be larger than the sum of the impacts in its congressional districts.

# APPENDIX E: FAQs

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## WHAT IS AN ECONOMIC-CONTRIBUTION ANALYSIS?

Technically, this study is a contribution analysis. The study quantifies the economic contribution of key NAICS codes in this industry in terms of economic impact, jobs, and local and state tax revenue. The study calculates how spending by employees, visitors, and students contributes to the economy of Pennsylvania and beyond. It examines how expenditures create additional impact in the economy directly and through the multiplier.

For the purposes of this study, an economic contribution is defined as the gross changes in Pennsylvania's existing economy that can be attributed to the film industry. Contribution analysis is a descriptive analysis that tracks gross economic activity: how spending by the industry and its constituencies cycles dollars through the economy. Please note that while the terms used to express the contribution of the film industry to the statewide economy are referred to as economic impact, this is a contribution analysis.

## WHAT SHOULD YOU REMEMBER ABOUT THE STUDY WHEN YOU READ IT?

- It is a point-in-time calculation of impact for 2020.
- It quantifies the amount of impact that the businesses in the film industry produce each year.
- The economic numbers can fluctuate from year to year based on operational spending, capital spending, pay and benefits, and the number of employees.
- These are conservative numbers and adhere to industry respected protocols.



## WHAT METHODOLOGY WAS USED TO COMPLETE THIS STUDY?

IMPLAN data and software were used to conduct this economic-contribution analysis. The IMPLAN database is built using county, state, ZIP code, and federal economic statistics that are specialized by region, not estimated from national averages, to measure the contribution or impact of an organization's economic activity.

## WHAT WERE THE MULTIPLIERS FOR THIS STUDY?

The multipliers used in this study range from 1.8 to 2.1. The multipliers are derived through the I-O models created using the IMPLAN software based upon industries selected during the modeling process.

## WHAT DATA DOES THIS STUDY USE TO CALCULATE THE ECONOMIC IMPACT?

Primary data used in this analysis is for 2020 and was obtained from the Bureau of Labor and Statistics.

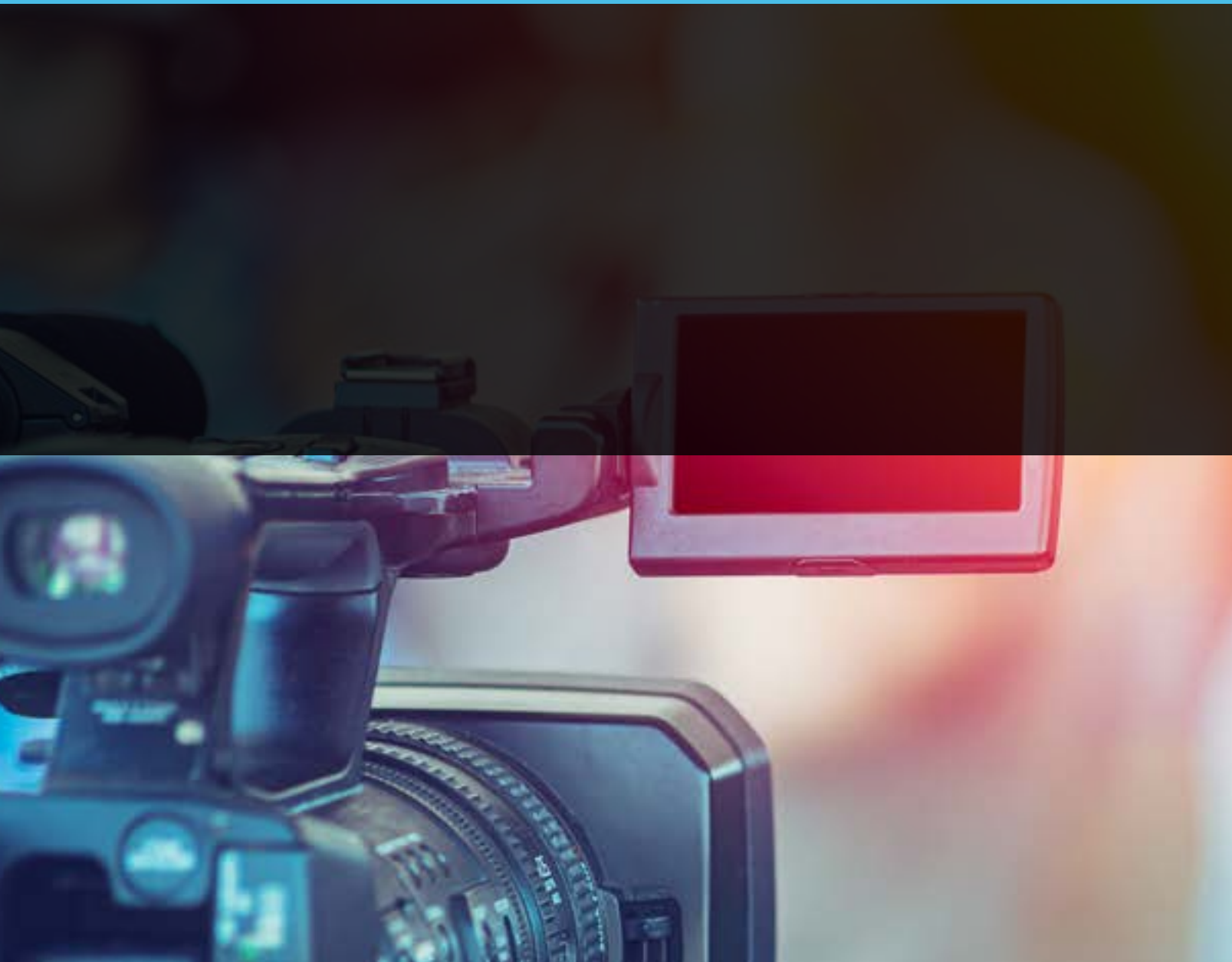
## WHY DID THE GREATER ERIE FILM OFFICE COMMISSION A STUDY?

The GEFO commissioned the analysis to quantify the impact the current and potential value of an increased focus on the film industry as an economic development tool for the region. There are many ways to view the impact and value of promoting the film industry — economic impact is one.

**The region offers a wide range of picturesque four-season landscapes:**

farmland, vineyards, marshes, woodlands, gorges and streams, a sporting bay, and beaches with distant lakefront views. Locations showcase thriving mid-size urban streets, charming small town storefronts, new and vintage industrial sites, a wide range of suburban neighborhoods, blighted properties, mansions, and sports facilities.





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